

IN THE MATTER OF
CONSECO SENIOR HEALTH INSURANCE COMPANY
AND
BANKERS LIFE & CASUALTY COMPANY
REGULATORY SETTLEMENT AGREEMENT

INTRO:

This Regulatory Settlement Agreement (“Agreement”) is entered into as of this 30th day of March 2008 (“Execution Date”), by and among Consecro Senior Health Insurance Company (“Consecro Senior”), Bankers Life and Casualty Company (“Bankers Life”) (collectively the “Insurance Companies”), the Commissioner of the Florida Office of Insurance Regulation, the Director of the Illinois Division of Insurance, the Commissioner of the Indiana Department of Insurance, the Commissioner of the Pennsylvania Insurance Department, and the Commissioner of the Texas Department of Insurance, (collectively the “Lead Regulators”), and the insurance regulators of each of the remaining states and the District of Columbia that agree to adopt this Agreement (the “Participating Regulators”) (the Lead Regulators and Participating Regulators are collectively referred to herein as “Signatory Regulators”).

A. RECITALS

1. Consecro Senior is a Pennsylvania corporation and, at all relevant times, has been a licensed insurance company admitted to do business in 46 states, the District of Columbia and the U.S. Virgin Islands.
2. Bankers Life is an Illinois corporation and at all relevant times has been a licensed insurance company admitted to do business in all states except the State of New York.
3. The Insurance Companies are subsidiaries of Consecro, Inc., a Delaware corporation with its principal place of business in Carmel, Indiana.

4. On April 10, 2007, the Lead Regulators called a multistate targeted market conduct examination of the Insurance Companies (the "Multistate Examination") to review the Insurance Companies' claims practices and procedures, complaint handling, and marketing and sales practices pursuant to the procedures established in the NAIC Market Conduct Examiners Handbook.

5. As a result of the Multistate Examination, the Lead Regulators engaged in discussions with the Insurance Companies with respect to multistate areas of regulatory concern raised by the Multistate Examination, a plan of corrective actions by the Insurance Companies to address those concerns for the benefit of the Insurance Companies' current and former policyholders and insureds, and a means of providing for the enforcement of such a plan. After extensive discussion, the Insurance Companies agreed to a plan of corrective actions to be set forth in this Agreement.

6. Contemporaneously with the execution of this Agreement, separate examination reports concerning the Multistate Examination of the respective Insurance Companies are being released that contemplate the execution of this Agreement and/or the entry of consent orders where necessary under the law or practice of a particular Participating Regulator's jurisdiction ("Examination Reports"). The Insurance Companies neither admit nor deny the regulatory findings and desire to enter into this Agreement in order to promote regulatory efficiency, and avoid disruption to insureds, and are willing and desirous to resolve all multistate areas of regulatory concern. The Insurance Companies' execution of this Agreement is not to be construed as, nor does it constitute, an admission of liability or wrongdoing by the Insurance Companies.

B. MULTISTATE AREAS OF REGULATORY REVIEW

1. The Multistate Examination identified certain areas of concern that the Insurance Companies have agreed should be subject to review on a collaborative basis for the benefit of the Participating Regulators (the “Multistate Areas of Regulatory Review” (“Exhibit A”)). The Multistate Areas of Regulatory Review include, inter alia, claims and complaint handling practices for Consecro Senior and Bankers Life related to Long Term Care, and complaint handling and marketing practices for Bankers Life for all lines of business.

2. The Multistate Areas of Regulatory Review may, upon the mutual consent of the Lead Regulators and the Insurance Companies, be amended to include additional areas of review that may arise during the term of this Agreement as provided for in paragraph D.9, infra. (“Term”).

3. After the Effective Date, a Signatory Regulator may seek to add an additional area of review by bringing it to the attention of the Lead Regulators with supporting documentation. The Lead Regulators, in consultation with and the agreement of the Insurance Companies, may add the additional area of review to the Multistate Areas of Regulatory Review and develop appropriate standards to determine compliance with this Agreement.

C. CORRECTIVE ACTION PLANS

1. The Insurance Companies shall develop Corrective Action Plans (“Corrective Action Plans”), acceptable to the Lead Regulators. The Corrective Action Plans shall, as applicable, consist of plans designed to, inter alia, ensure full and timely achievement of the Claims Readjudication Process (described in Exhibit B), full and timely achievement of

each of the Benchmarks as applied on a nationwide basis, (see Exhibit C) and full and timely implementation of all recommendations (“Recommendations”) in the Examination Reports.

2. The Insurance Companies have agreed to adopt and comply with all Recommendations of the Lead Regulators as set forth in the Examination Reports and to implement Corrective Action Plans to address the Multistate Areas of Regulatory Review. The Recommendations require the Insurance companies to accomplish, inter alia, the following:

a. implementation of changes to the Insurance Companies’ claims and complaint handling procedures and standards to ensure that they are timely, appropriate and that they are otherwise compliant with applicable state laws;

b. establishment of a compliance plan for marketing activities of Bankers Life to ensure that its producers comply with applicable state laws and that Bankers Life has sufficient oversight to monitor, document and enforce such practices, in compliance with all applicable state laws.

3. Except as otherwise provided herein, the Insurance Companies shall commence implementation of the Recommendations within thirty (30) calendar days of the Effective Date.

4. Compliance with the Recommendations includes, but is not limited to, satisfying the Benchmark ratios reflected in the Insurance Companies’ Corrective Action Plans relating to claims handling and complaint handling practices, and which shall be applied on a nationwide basis. The Insurance Companies shall fully achieve timely compliance with each of the Benchmarks within each of the applicable timeframes contained in its Corrective Action Plan(s).

5. Claims Readjudication Process. Consecro Senior shall develop a Claims Readjudication Process, acceptable to the Lead Regulators, to ensure remediation to disaffected policyholders where appropriate, and in compliance with the processes established in Exhibit B, attached hereto.

6. Marketing and Sales Practices. As part of the Corrective Action Plan, Bankers Life shall develop policies and procedures for its sales and marketing practices, which are acceptable to the Lead Regulators and are designed to: 1) ensure that Bankers Life fully and timely meets the complaint handling Benchmarks reflected in Exhibit C; and 2) otherwise ensure compliance with the Recommendations including but not limited to improving Bankers Life's marketing and sales practices. Bankers Life's plan shall place particular emphasis on and address: enhancements to producer training programs, elimination of producer transaction thresholds for disciplinary actions, and attenuating local or regional sales managers and agencies from local compliance responsibilities. Under the Corrective Action Plan, Bankers Life shall also review producer activity for calendar years 2005 through 2007, identify all producers terminated in that period, determine and identify those who should have been terminated "for cause" and provide a report of such to the Lead Regulators pursuant to the ongoing examination described in paragraph D.2 of this Agreement.

D. MONITORING

1. The Lead Regulators, on behalf of and for the benefit of the Participating Regulators, shall monitor the Insurance Companies' compliance with this Agreement and any Consent Order to which it is attached. Compliance with the Agreement will be measured according to the Insurance Companies' full and timely implementation of the Corrective Action

Plans, including full and timely: completion of the Claims Readjudication Process, achievement of each of the Benchmarks as applied on a nationwide basis, and implementation of all Recommendations.

2. Ongoing Examination. The monitoring of the Insurance Companies for compliance with the terms of this Agreement constitutes an ongoing examination by the Pennsylvania Insurance Department, as a Lead Regulator, pursuant to 40 P.S. §323.1-323.8. To the extent permitted by law, the work papers, recorded information, documents, copies of work papers, recorded information and documents produced by, obtained by, or disclosed to the Participating Regulators shall be given confidential treatment and shall not be subject to subpoena and may not be made public by the Participating Regulators or any other person, and shall not be public records subject to disclosure as provided under relevant Pennsylvania law. Nothing in this Agreement is intended to, nor shall it, preclude Participating Regulators from disclosing the results of compliance with the Agreement.

3. The Lead Regulators shall have full authority pursuant to 40 P.S. §323.1-323.8 to oversee and monitor compliance with this Agreement, including but not limited to: assigning an examiner or examiners (“Examiners”) to conduct periodic compliance reviews and prepare reports and updates of such reviews for the Lead Regulators and the Insurance Companies; to review the Insurance Companies’ progress in implementing the Corrective Action Plans; to assess the accuracy and validity of the Insurance Companies’ quarterly reports by conducting sampling in accordance with accepted standards; and to otherwise assess the Insurance Companies’ compliance hereunder.

4. Prior to the issuance of any periodic written report or update where exceptions or violations are noted, the Lead Regulators and the Examiners shall review the

findings or determinations with the Insurance Companies and give reasonable consideration to any issues raised by the Insurance Companies regarding such findings or determinations.

5. All costs of the Examiners shall be the sole responsibility of the Insurance Companies.

6. Quarterly Reports. The Insurance Companies shall provide to the Lead Regulators quarterly reports ("Quarterly Reports") on the implementation of the Corrective Action Plans to address, resolve and monitor the Multistate Areas of Review and compliance with the Recommendations generally, including reports of their achievement of the Benchmarks, including, with respect to Conseco Senior only, the number of claims readjudicated, the number of claims for which restitution was found to be appropriate, the amount of restitution paid and any other information or documents deemed necessary by the Lead Regulators to monitor compliance thereof. Each Quarterly Report shall be due and delivered to the Lead Regulators in a form acceptable to the Lead Regulators within 30 calendar days of the end of the calendar quarter, with the first report covering the second quarter of calendar year 2008, or the quarter following the Effective Date of this Agreement, whichever is later.

7. Meeting With The Board Of Directors. If the Lead Regulators determine that the Quarterly Reports show, or if the Lead Regulators otherwise have information, that the Insurance Companies are not fully and timely complying with the Corrective Action Plans, including but not limited to the failure to fully and timely achieve the Benchmarks, the Lead Regulators may request, and the Insurance Companies shall consent to, access to the Board of Directors of the company that failed to achieve the applicable Benchmark or otherwise failed to comply with the Corrective Action Plan. In their sole discretion, the Lead Regulators may agree

to a meeting with a proxy for the Board of Directors or the Audit Committee in lieu of meeting with those entities.

8. Re-Examination. It is further expected that the Lead Regulators, on behalf of and for the benefit of the Participating Regulators, will conduct a full re-examination of the issues addressed by the Multistate Examination not sooner than 18 months after the Effective Date of this Agreement for Bankers Life and 30 months after the Effective Date for Consecro Senior, and make all reasonable efforts to complete such re-examinations within six months of their dates of commencement ("Re-Examination"). Nothing in this section shall abrogate the Lead Regulators' ability to utilize the Examiners to the fullest extent under applicable examination laws to perform all functions necessary and authorized under the examination laws to ensure timely and competent monitoring for compliance with this Agreement.

9. With respect to the periods of time represented by the Term of this Agreement (prospectively, 18 months after the Effective Date for Bankers Life and 30 months after the Effective Date for Consecro Senior) and for the two calendar years immediately preceding the Effective Date, each of the Participating Regulators agrees that his or her regulatory agency: i) will not engage in any investigative or examination activities of the Insurance Companies relating to the issues subject to this Agreement; (ii) will not impose a fine, injunction or any other remedy on any of the Insurance Companies for any of the matters that are the subject matter of this Agreement; and (iii) may only participate in any assessment or remedy that may be imposed under this Agreement pursuant to the terms set forth in this Agreement. Notwithstanding the foregoing, any Signatory Regulator may take any and all appropriate action should the Insurance Companies violate any provision of the insurance laws and regulations of that Signatory State, which are not related to the Multistate Areas of Regulatory Review and

which are not otherwise subject to this Agreement, as well as with respect to individual consumer complaints or as otherwise provided for herein.

10. This Agreement is not intended to, nor may it be construed to, limit the authority of a Signatory Regulator's consumer services division, or its equivalent, in investigating and taking appropriate Action against the Insurance Companies, its producers or other representatives, or third parties, as provided by law or regulation, with regard to a valid consumer, provider or third-party complaint.

E. ASSESSMENTS AND REMEDIES

1. In full and final settlement and resolution of the regulatory findings set forth in the Examination Reports, the Insurance Companies agree to pay a) a fine in the amount of \$2,342,728 less any amount allocated to any non-participating state (i.e., a state that does not adopt the Settlement Agreement) under the allocation methodology developed by the Lead Regulators and b) other amounts as provided in Section E, *infra*.

2. The fine shall be payable within twenty (20) business days of the Effective Date of this Agreement. The Signatory Regulators hereto find that such fine is sufficient to deter and punish the Insurance Companies with respect to, and no additional punishment is warranted with respect to, all actions and or inactions of the Insurance Companies from January 1, 2005 through the Effective Date regarding in any way all claims practices and procedures, complaint handling, and marketing and sales practices concerning or relating to the Multistate Examination Report. Conseco Senior also agrees to timely undertake, implement, and fully complete: the Claims Readjudication Process, achievement of the Benchmarks, and compliance with the Recommendations. Further, Bankers Life also agrees to timely undertake, implement, and fully

complete: achievement of the Benchmarks for complaint handling and compliance with the Corrective Action Plan with respect to its marketing and sales practices.

3. The Insurance Companies shall remit payment to each state adopting this Settlement Agreement (a Participating State) in the amount due to that state under the allocation methodology developed by the Lead Regulators. The Insurance Companies shall have no obligation hereunder to make payments to states that do not adopt this Agreement.

4. With respect to any Participating State that has adopted this Agreement at or before the Effective Date of this Agreement the Insurance Companies shall remit payment to that Participating State within twenty (20) days of the Effective Date.

5. With respect to any Participating State that adopts this Settlement Agreement after the Effective Date, the Insurance Companies shall remit payment to that Participating State within twenty (20) days of that state's adoption of the Agreement.

6. If the total expended by Conseco Senior for restitution pursuant to the Claims Readjudication Process as described in Exhibit B, combined with the amount of the reasonable costs of the Claims Readjudication Process, does not equal or exceed \$4,000,000, Conseco Senior agrees to pay the difference to the Signatory Regulators as an additional monetary assessment related to resolution of the Multistate Examination in accordance with the formula developed by the Lead Regulators.

7. Penalty for Noncompliance. Following the receipt of the first Quarterly Report, or any Quarterly Report thereafter, if the Lead Regulators, in consultation with other Participating Regulators, determine that either Insurance Company is not in compliance with any Benchmark, an additional monetary assessment of \$70,000 may be assessed per missed

Benchmark per quarter. Should the same Benchmark be missed for two consecutive quarters, a monetary assessment of \$150,000 may be imposed.

8. Further, if after re-examination, either or both Insurance Companies have not timely and fully implemented either the Recommendations, or the Benchmarks and are found to be materially, substantially and consistently noncompliant with the Recommendations or the Corrective Action Plans, after notice and opportunity to respond, the Lead Regulators may impose an additional monetary assessment (“Total Performance Assessment”) of \$10 million and the Insurance Companies shall undertake such other remedial measures as agreed to by the Lead Regulators and the Insurance Companies.

9. In the event that the Insurance Companies must pay the Total Performance Assessment, that amount shall be reduced by any amounts paid or due as a result of noncompliance with the quarterly Benchmarks, as provided for and referenced in paragraph 7, above.

10. The Insurance Companies shall retain all their legal rights to challenge any finding, assessment, or penalty made during or as a result of the Monitoring of this Agreement including, but not limited to, the Re-Examination.

11. If, at the end of the Term of the Agreement, the Lead Regulators, in consultation with other Participating Regulators, determine that Consecro Senior is in compliance with the Benchmarks but that there are deficiencies involving compliance with respect to the Multistate Areas of Regulatory Review in a particular jurisdiction of a Signatory Regulator, Consecro Senior agrees to work with that Signatory Regulator within the context of that state’s laws to address and resolve the issues, including the development of an individual Corrective Action Plan in that state.

12. If, at the end of the Term, the Lead Regulators, in consultation with other Participating Regulators, determine that Bankers Life has implemented the Recommendations but that there are deficiencies involving compliance with respect to the Multistate Areas of Regulatory Review in a particular jurisdiction of a Signatory Regulator, Bankers Life agrees to work with that Signatory Regulator within the context of that state's laws to address and resolve the issues, including the development of an individual Corrective Action Plan in that state.

13. In the event that the Lead Regulators find, after reasonable consultation with Consecro Senior or Bankers Life, that Consecro Senior or Bankers Life has willfully and materially breached the terms of the Agreement, then any penalty or fine imposed as a result of such finding shall not be limited by the assessment or other limiting provisions of this Agreement.

14. The Insurance Companies are expending approximately \$26 million in systems enhancements, including contracting with an independent third party administrator, to substantially improve claims and complaint handling practices. The Insurance Companies shall continue to fund any operational enhancements necessary to timely and fully implement and accomplish the Corrective Action Plans.

F. OTHER PROVISIONS:

1. By entering into this Agreement, the Signatory Regulators and the Insurance Companies intend to resolve all the concerns addressed by the Multistate Areas of Regulatory Review, including any alleged violations of laws and regulations or administrative orders issued or which could have been issued by the Signatory Regulators through the Term relating to issues reviewed in, and addressed by, the Examination Reports, and this Agreement

shall be deemed a full and final resolution and release of all claims or liability relating thereto. This release will not be final until the Insurance Companies have implemented the Recommendations and are otherwise found to be in full and final compliance with this Agreement. In no event shall the Insurance Companies be excused from the restitution and remediation obligations set forth in this Agreement.

2. This Agreement shall be binding on and inure to the benefit of the Signatory Regulators and the Insurance Companies and their respective legal representatives, successors and assigns.

3. Each of the Signatory Regulators has full and unqualified legal authority to enter into this Agreement, and, where such signatory is signing on behalf of a party, to bind that party now and in the future.

4. The failure of the Signatory Regulators at any time to require the strict performance by the Insurance Companies of any of the terms, provisions or conditions hereof shall in no way affect the right thereafter to enforce the same, nor shall the waiver by the Signatory Regulators of any breach of any terms, provisions or conditions hereof be construed or deemed to constitute a waiver of any subsequent breach of any term, provision or condition thereof.

5. When an issue pertaining to this Agreement is specific to an individual state, the Signatory Regulators and the Insurance Companies agree that the particular substantive law of that state shall be utilized for the purpose of interpreting, applying and enforcing any provision of this Agreement in that state. In such case(s), the appropriate forum shall be the courts or regulatory agency of that particular state, as appropriate. Nothing in this Agreement

enlarges, supersedes or preempts the insurance laws and regulations of any of the Signatory Regulators' states.

6. If the Insurance Companies default with respect to any obligation under this Agreement, they shall use commercially reasonable efforts to cure such default as soon as reasonably practicable. If such default is not remedied within thirty (30) business days following personal delivery or delivery by facsimile of a written notice pursuant to paragraph F.22 specifying such default, during which period the Signatory Regulators and the Insurance Companies shall make reasonable efforts to amicably resolve any disputes regarding the default, the Signatory Regulator(s) may seek administrative and/or judicial enforcement of this Agreement.

7. Nothing herein shall confer any rights upon any persons or entities other than the Signatory Regulators and the Insurance Companies.

8. This Agreement shall not be effective unless and until both of the following conditions are met: (i) the approval and execution of this Agreement by the Insurance Companies and the Lead Regulators and (ii) the approval and execution of this Agreement by at least thirty-five (35) states of the United States (deemed to include the District of Columbia and the Lead Regulators) and (iii) whose combined share equals or exceeds at least fifty percent (50%) of Consecro Senior's total Long Term Care Insurance written premium for year end 2006. The date on which the last state executes, or signs on to and participates in, this Agreement in compliance with paragraph F.9, infra., thereby fulfilling the conditions precedent in this paragraph, above, shall be the Effective Date of this Agreement.

9. To become a party to this Agreement, an Insurance Director, Commissioner, Superintendent or their designee shall execute a signature page within thirty (30)

calendar days from the Execution Date. At the time of execution, any State Specific Endorsement required of the Insurance Companies must be identified as to the specific company and attached hereto. If a Signatory Regulator finds that, under applicable state law, regulation or procedure, the preparation and execution of a consent order is necessary to carry out the terms of this Agreement, such a consent order (the "Applicable Consent Order") shall be prepared by such Participating Regulator within thirty (30) calendar days following the Execution Date. The Lead Regulators may waive the thirty (30) calendar-day period for Participating Regulators to execute this Agreement. For purposes of this Agreement, an "Applicable Consent Order" shall be satisfactory to the Insurance Companies if it: (i) incorporates by reference and attaches via exhibit a copy of this Agreement, (ii) expressly adopts and agrees to the provisions of this Agreement, and (iii) includes only those other terms that may be legally required in the state of the applicable Participating Regulator. However, nothing in this Agreement shall be construed to require any state to execute and deliver an Applicable Consent Order if such state elects instead to sign this Agreement.

10. Each Signatory Regulator hereby gives express assurance that this Agreement is enforceable by its terms under the applicable laws, regulations and judicial rulings in its respective state and that the Signatory Regulator, on behalf of his/her respective state, has the authority to enter into this Agreement and bind that party now and in the future. By execution of this Agreement with the Insurance Companies, each Signatory Regulator acknowledges that he/she has reviewed and agrees with the terms and conditions as set forth herein.

11. The Signatory Regulators and the Insurance Companies may mutually agree, in writing, to any reasonable extensions of time that might become necessary to carry out the provisions of this Agreement.

12. This Agreement and/or any Applicable Consent Order or any other order issued by a Signatory Regulator set forth the entire agreement among the parties with respect to its subject matter and supersedes all prior agreements, arrangements or understandings (whether in written or oral form) between the Insurance Companies and the Signatory Regulators.

13. This Agreement shall remain in effect until the later of (i) the Term or (ii) the completion of the Re-Examinations. This Agreement and its provisions shall terminate for all purposes pursuant to this paragraph.

14. Nothing in this Agreement or any of its terms and conditions shall be interpreted to alter in any way the contractual terms of any insurance policy or health benefit plan issued or acquired either by the Insurance Companies or by the parties to such insurance contract.

15. Except in a proceeding to enforce the terms hereof, neither this Agreement nor any related negotiations, statements or court proceedings shall be offered by the Insurance Companies or the Signatory Regulators as evidence of or an admission, denial or concession of any liability or wrongdoing whatsoever on the part of any person or entity, including but not limited to the Insurance Companies or any affiliates thereof, or as a waiver by Insurance Companies or any affiliates thereof of any applicable defense, including without limitation any applicable statute of limitations or statute of frauds.

16. In addition to payments required hereunder, the Insurance Companies agree to pay the reasonable expenses incurred by the Lead Regulators and the Participating

Regulators for their travel and incidental expenses associated with the negotiation and implementation of the provisions of this Agreement. Such expenses shall be payable to the Lead Regulators within thirty (30) calendar days of the presentation of valid receipts. Moreover, reasonable expenses of the Lead Regulators incurred in monitoring the Insurance Companies' compliance with this Agreement, including the expenses of conducting or attending any meetings, presentations, or discussions with the Insurance Companies or other Signatory Regulators, shall be the responsibility of the Insurance Companies.

17. Nothing contained herein shall limit the authority of the Signatory Regulators to address specific instances of consumer complaints, licensing changes, rate and form filings, investigatory or enforcement actions relating to representatives or producers of the Companies, or conducting other office-based regulatory functions. Such regulatory functions shall not be deemed within the scope of this Agreement.

18. This Agreement may be signed in multiple counterparts, each of which shall constitute a duplicate original, but which taken together shall constitute but one and the same instrument.

19. Nothing herein shall prevent or otherwise restrict a Signatory Regulator from pursuing regulatory actions against the Insurance Companies for regulatory issues other than the Multistate Areas of Regulatory Review.

20. In the event that any portion of this Agreement is held invalid under any particular state's law as it is relevant to a Signatory Regulator, such invalid portion shall be deemed to be severed only in that state and all remaining provisions of this Agreement shall be given full force and effect and shall not in any way be affected thereby.

21. The Insurance Companies understand and agree that by entering into this Agreement, the Insurance Companies waive any and all rights to notice, hearing and appeal respecting the Examination Reports and this Agreement under the applicable laws of the states represented by the Signatory Regulators.

22. All notices permitted or required to be delivered under this Agreement shall be in writing and shall be deemed so delivered by hand, one (1) business day after transmission by facsimile or other electronic system (evidenced by machine generated receipt), five (5) business days after being placed in the hands of a commercial courier service for express delivery, or ten (10) business days after placement in the mails by registered or certified mail, return receipt requested, postage prepaid and addressed to the following addresses or a party's most current principal address of which the party sending the notice has been notified:


If to the Insurance Companies: Mark Johnson, Senior Vice President, Chief of Compliance, Conseco Senior Health Insurance Company, 11825 N. Pennsylvania St., Carmel, IN 46032

If to the Lead Regulators: Dennis Shoop, Director of the Bureau of Enforcement, Pennsylvania Insurance Department, 1227 Strawberry Sq., HBG. Pa. 17120.

23. The Insurance Companies shall be excused from performance for any period and to the extent that the Insurance Companies are prevented from performing any services, in whole or in part, as a result of delays caused by an act of God, civil disturbance, court order, or other cause beyond the Insurance Companies reasonable control, including failures or fluctuations in electrical power, light, or telecommunications equipment and such nonperformance shall not be considered for determining the Insurance Companies' Compliance with this Agreement. Notwithstanding the above, the Insurance Companies agree to establish and maintain commercially reasonable recovery steps, including technical disaster recovery facilities, uninterruptible power supplies for computer equipment and communications and that

as a result thereof the Insurance Companies will use commercially reasonable efforts to ensure that its systems shall be operational within forty-eight (48) hours of a performance failure.

CONSECO SENIOR HEALTH
INSURANCE COMPANY

BY: 

John Wells

ITS: Senior Vice President

3/27/08

[DATE]

BANKERS LIFE AND
CASUALTY COMPANY

BY: 

John Wells

ITS: Senior Vice President

3/27/08

[DATE]

FLORIDA OFFICE OF
INSURANCE REGULATION

BY: 

KEVIN M. MCCARTY
INSURANCE COMMISSIONER

DATE 3-27-08

INDIANA DEPARTMENT OF
INSURANCE

BY: _____

, COMMISSIONER

[DATE]

TEXAS DEPARTMENT OF INSURANCE

BY: _____

, COMMISSIONER

[DATE]

ILLINOIS DIVISION OF INSURANCE

BY: _____

, DIRECTOR

[DATE]

PENNSYLVANIA INSURANCE
DEPARTMENT

BY: _____

JOEL S. ARIO, ACTING COMMISSIONER

[]

FLORIDA OFFICE OF
INSURANCE REGULATION

BY: _____

, COMMISSIONER

[DATE]

INDIANA DEPARTMENT OF
INSURANCE

BY: James Atterholt

JAMES ATTERHOLT, COMMISSIONER

[March 27, 2008]

TEXAS DEPARTMENT OF INSURANCE

BY: _____

, COMMISSIONER

[DATE]

ILLINOIS DIVISION OF INSURANCE

BY: _____

, DIRECTOR

[DATE]

PENNSYLVANIA INSURANCE
DEPARTMENT

BY: _____

JOEL S. ARIIO, ACTING COMMISSIONER

[]

FLORIDA OFFICE OF
INSURANCE REGULATION

BY: _____

, COMMISSIONER

[DATE]

INDIANA DEPARTMENT OF
INSURANCE

BY: _____

, COMMISSIONER

[DATE]

TEXAS DEPARTMENT OF INSURANCE

BY: Mike Heest

, COMMISSIONER

[DATE]

3-28-08

ILLINOIS DIVISION OF INSURANCE

BY: _____

, DIRECTOR

[DATE]

PENNSYLVANIA INSURANCE
DEPARTMENT

BY: _____

JOEL S. ARIIO, ACTING COMMISSIONER

[]

FLORIDA OFFICE OF
INSURANCE REGULATION

BY: _____

, COMMISSIONER

[DATE]

INDIANA DEPARTMENT OF
INSURANCE

BY: _____

, COMMISSIONER

[DATE]

TEXAS DEPARTMENT OF INSURANCE

BY: _____

, COMMISSIONER

[DATE]

ILLINOIS DIVISION OF INSURANCE

BY: *Philip H. B.*

ILLINOIS, DIRECTOR

[DATE] 3.30.08

PENNSYLVANIA INSURANCE
DEPARTMENT

BY: _____

JOEL S. ARIO, ACTING COMMISSIONER

[]

FLORIDA OFFICE OF
INSURANCE REGULATION

BY: _____

, COMMISSIONER

[DATE]

INDIANA DEPARTMENT OF
INSURANCE

BY: _____

, COMMISSIONER

[DATE]

TEXAS DEPARTMENT OF INSURANCE

BY: _____

, COMMISSIONER

[DATE]

ILLINOIS DIVISION OF INSURANCE

BY: _____

, DIRECTOR

[DATE]

PENNSYLVANIA INSURANCE
DEPARTMENT

BY: _____

JOEL S. ARIIO, ACTING COMMISSIONER

[]

EXHIBIT A

Multistate Areas of Regulatory Review

- A. Claims:** The Insurance Companies shall ensure; that claims are investigated and paid, denied or contested within the required timeframes; that claims-related correspondence is completed within the required timeframes; that claims are paid correctly and interest is paid when required; that payments are made at the correct rate; that providers and covered persons are given an opportunity to provide missing information that is needed to process claims before closing claims; that claim files contain all necessary documentation; that explanatory information provided to insureds, enrollees, and providers is accurate and complete and contains all required information; and that claims personnel shall be properly trained in these duties.
- B. Appeals, Grievances and Complaints:** The Insurance Companies shall ensure: that insured appeals and complaints are being addressed timely, efficiently, and thoroughly; that proper and accurate explanations and information are provided; and that the appeals, complaints, and all related matters are conducted and addressed within required timeframes.
- C. Operations/Management:** The Insurance Companies shall ensure that there is an overall structure to address state regulatory concerns, and that their responses to regulator, provider, insured, and enrollee inquiries, issues, and concerns are complete, accurate and timely.
- D. Marketing and Sales:** The Insurance Companies shall ensure that the Company's field force programs, policies and procedures ensure compliance with relevant laws and the Company's Code of Conduct, the Company's efforts to implement legal obligations

arising from settlement agreements and other similar documents are monitored, and compliance policies and procedures which conform to applicable legal standards are developed and monitored. Bankers Life's plan shall also place particular emphasis on and address: enhancements to producer training programs, elimination of producer transaction thresholds for disciplinary actions, and attenuating local or regional sales managers and agencies from local compliance responsibilities.

EXHIBIT B

Claims Readjudication Process

1. Consecro Senior shall implement a claims readjudication process approved by the Lead Regulators, designed to make restitution or other adjustments on claims where appropriate, as more fully set forth below, including the payment of interest as required by the applicable laws of the Signatory Regulators, within a timeframe acceptable to the Lead Regulators or as otherwise specified herein, after making such determinations. The Claim Readjudication Process is intended to address certain claims denied by Consecro Senior in calendar years 2005 through 2007.

2. Consecro Senior shall hire a Claims Reviewer to implement and effectuate the Claims Readjudication Process provided herein. The costs of the Claims Reviewer shall be Consecro Senior's sole responsibility, but the selection of the Claims Reviewer, and the process itself, will be subject to the approval of the Lead Regulators. Consecro Senior shall submit a proposed Claims Reviewer to the Lead Regulators for approval within fifteen (15) calendar days of the Effective Date of this Agreement.

3. Readjudication of True Initial Denials. The Claims Reviewer, on behalf of Consecro Senior, shall review and readjudicate all "True Initial Denials" of claims for such claims that were denied by Consecro Senior in calendar years 2005 through 2007. The Claims Reviewer shall readjudicate all True Initial Denials(a "True Initial Denial" is a decision made on a first request for benefits covered under the policy in which the claim is denied based on a determination of the claim's ineligibility.) , advise claimants of the outcome of the readjudication, and where appropriate, pay restitution with interest as required by the laws of the Signatory Regulators, within 90 calendar days of the Effective Date. If the Claims Reviewer

determines that a claim file contains inadequate documentation to determine whether the claim was properly adjudicated, the Claims Reviewer shall request the needed information from the claimant. If the requested information is not provided within forty-five (45) calendar days of the request, the Claims Reviewer may close the readjudication of that claim and advise the claimant that the review was closed due to insufficient documentation.

4. Notice to Claimants Involving True Continuation Denials and Other Categories of Denials. In accordance with a schedule acceptable to the Lead Regulators, the Conseco Senior shall after the Effective Date send a notice, in a time, manner and form acceptable to the Lead Regulators to all claimants whose claims or benefits were denied in calendar years 2005 through 2007 for the following reasons:

- (i) True Continuation Denials ("True Continuation Denials" are denials of requests for benefits covered under the policy during an episode of care in which the claim is denied based on a determination of the claim's ineligibility): including
 - (a) ADLs Not Met; (b) Claimant Not Covered; (c) Condition Not Covered; (d) LTC Services Not Covered; (e) Non-Timely Proof of Loss; (f) Pre-Existing Condition; (g) Provider/Facility Not Covered and; (g) Eligibility Not Met and;
- (ii) Other Categories of Denied Claims: (a) Incomplete Proof of Loss; (b) Non-Covered Services; (c) Benefits Maxed; and (d) Elimination Period Not Met;

as well as to any complainant who filed a complaint with Conseco Senior in calendar years 2005 through 2007 and whose complaint relates to an assertion that Conseco Senior incorrectly denied, or made an inadequate or incorrect payment, of a claim or benefit. Said notice shall advise those claimants that they have the right to submit a request for review of such denial.

5. Upon a claimant's submission of a written request for review under paragraph 4. above, the Claims Reviewer shall readjudicate any such True Continuation Denials and Other Categories of Denied Claims, advise claimants of the outcome of the readjudication, and, where appropriate, pay restitution with interest as required by the laws of the Participating Regulators. If the Claims Reviewer determines that a claim file and the request for review contain inadequate documentation to determine whether the claim was properly adjudicated, the Claims Reviewer shall request the needed information from the claimant. If the requested information is not provided within forty-five (45) calendar days of the request, the Claims Reviewer may close the readjudication of that claim and advise the claimant that the review was closed due to insufficient documentation. Otherwise, the Claims Reviewer shall readjudicate and pay any such claim within 90 days of receipt of all documentation and information necessary for the readjudication.

6. Upon a claimant's submission of a written request for review under paragraph 4, above, the Claims Reviewer shall readjudicate any such claim, advise the claimant of the outcome of the readjudication, and pay restitution where appropriate, with interest as required by the laws of the Signatory Regulators. If the Claims Reviewer determines that a claim file and the request for review contain inadequate documentation to determine whether the claim was properly adjudicated, the Claims Reviewer shall request the needed information from the claimant. If the requested information is not provided within 45 calendar days of the Claims Reviewer's request, the Claims Reviewer may close the readjudication of that claim and advise the claimant that the review was closed due to insufficient documentation. Otherwise, the Claims Reviewer shall readjudicate and pay any such claim within 90 days of receipt of all documentation and information necessary for the readjudication.

7. Establishment of a Call Center. Consecro Senior shall establish a dedicated call center to respond to policyholder inquiries regarding the Claims Readjudication Process. The call center shall timely and adequately respond to inquiries relating to the readjudication process described above in paragraphs 4 through 6, above. In addition to those classes of policyholders and claimants outlined herein, the call center shall provide any other potential claimant information on how such claimant may submit a request for review of any denied claim or benefits that were denied in calendar years 2005 through 2007. The dedicated call center shall include a toll free telephone number, qualified consumer service representatives, and sufficient hours and staffing to respond to policyholder inquiries. Further, the dedicated call center shall be operable for a period of six months following the date of the last Notice that is sent to a claimant or complainant pursuant to paragraph 4, supra.

8. In no event shall Consecro Senior be required to readjudicate any claim that was initially denied because of the death of the claimant or was resolved through or is the subject of pending litigation or settlement. Nothing in this Agreement is intended to preclude Consecro Senior or any claimant from mutually agreeing to opt for the Claim Readjudication Process in lieu of continued litigation over any disputed claim.

EXHIBIT C

Benchmarks

The following are the mandatory minimum standards for the Insurance Companies' practices and procedures relating to timely and competently handling claims and complaints, per quarter ("Q"), per calendar year:

A. Claims Handling – Conseco Senior

1. For the calendar years 2008 – 2011, Conseco Senior and the Signatory Regulators agree:

- a. That Claim Timeliness compliance shall mean 82% compliance for Q2 2008, 85% compliance for Q3, 2008 88% compliance for Q4 2008, 90% compliance for Q1 2009, and 93% compliance for Q2 2009 and thereafter.

B. Complaints Handling – Conseco Senior

1. For the calendar years 2008 – 2011, Conseco Senior and the Signatory Regulators agree:

- a. That Complaint Timeliness compliance for DOI complaints shall mean 92% compliance for Q2 2008, 94% compliance for Q3 2008, and 96% compliance in Q4 2008 and thereafter.
- b. That Complaint Timeliness for Consumer complaints shall mean 87% compliance for Q2 2008, 90% compliance for Q3 2008, and 95% compliance in Q4 2008 and thereafter.

C. Complaints Handling – Bankers Life

1. For the calendar years 2008 – 2011, Bankers Life and the Signatory Regulators agree:

- a. That Complaint Timeliness compliance for complaints received from a department of insurance shall mean 92% compliance for Q2 2008, 94% compliance for Q3 2008, and 96% compliance in Q4 2008 and thereafter.
- b. That Complaint Timeliness for complaints received directly from a consumer or a consumer's designee shall mean 87% compliance for Q2 2008, 90% compliance for Q3 2008, and 95% compliance in Q4 2008 and thereafter.

as a result thereof the Insurance Companies will use commercially reasonable efforts to ensure that its systems shall be operational within forty-eight (48) hours of a performance failure.

CONSECO SENIOR HEALTH
INSURANCE COMPANY

BY: 

John Wells

ITS: Senior Vice President

3/27/08

[DATE]

BANKERS LIFE AND
CASUALTY COMPANY

BY: 

John Wells

ITS: Senior Vice President


3/27/08

[DATE]

PARTICIPATING REGULATOR ADOPTION

On behalf of the State of Alabama Department of Insurance, I, Walter A. Bell, Commissioner, hereby adopt, agree, and approve this Agreement.

ALABAMA DEPARTMENT OF INSURANCE

BY: 

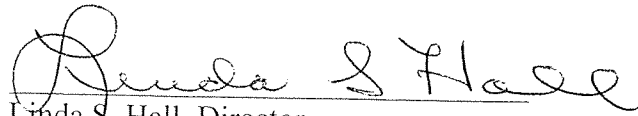
Walter A. Bell, Commissioner
April 29, 2008

PARTICIPATING REGULATOR ADOPTION

On behalf of the State of Alaska, Department of Commerce, Community, and Economic Development, Division of Insurance, I, Linda S. Hall, Director, hereby adopt, agree, and approve this Agreement.

ALASKA DIVISION OF INSURANCE

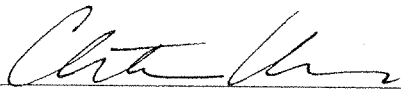
BY


Linda S. Hall, Director
April 22, 2008

PARTICIPATING REGULATOR ADOPTION

On behalf of the Arizona Department of Insurance, I, Christina Urias, hereby adopt, agree, and approve this Agreement.

ARIZONA DEPARTMENT OF INSURANCE

BY: 
Christina Urias, Director
4-15-, 2008.

PARTICIPATING REGULATOR ADOPTION

On behalf of the Arkansas Insurance Department, I, Julie Benafield Bowman, hereby adopt, agree, and approve this Agreement.

ARKANSAS INSURANCE DEPARTMENT

BY: Julie Benafield Bowman

Julie Benafield Bowman, Commissioner

April 23, 2008
[DATE]

PARTICIPATING REGULATOR ADOPTION

On behalf of the state of Colorado Division of Insurance, I, Marcy Morrison, hereby adopt, agree, and approve this Agreement.

COLORADO DIVISION OF INSURANCE

BY: Marcy Morrison
Marcy Morrison
Commissioner of Insurance

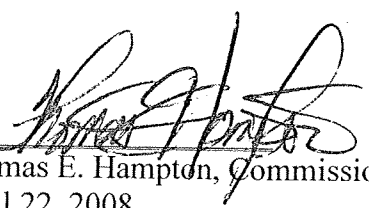
April 29, 2008

RECEIVED
MAY 05 2008
CHIEF COUNSEL
INSURANCE DEPARTMENT

PARTICIPATING REGULATOR ADOPTION

On behalf of the District of Columbia, Department of Insurance, Securities and Banking, I, Thomas E. Hampton, Commissioner, hereby adopt, agree, and approve this Agreement.


District of Columbia
Department of Insurance, Securities and Banking

BY: 
Thomas E. Hampton, Commissioner
April 22, 2008

PARTICIPATING REGULATOR ADOPTION

On behalf of Delaware Department of Insurance, I, Matthew Denn, Insurance Commissioner, hereby adopt, agree, and approve this Agreement.

DELAWARE DEPARTMENT OF INSURANCE

BY: 
Matthew Denn, Insurance Commissioner
May 6, 2008

FLORIDA OFFICE OF
INSURANCE REGULATION

BY: 

KEVIN M. MCCARTY
INSURANCE COMMISSIONER

DATE 3-27-08

INDIANA DEPARTMENT OF
INSURANCE

BY: _____

, COMMISSIONER

[DATE]

TEXAS DEPARTMENT OF INSURANCE

BY: _____

, COMMISSIONER

[DATE]

ILLINOIS DIVISION OF INSURANCE

BY: _____

, DIRECTOR

[DATE]

PENNSYLVANIA INSURANCE
DEPARTMENT

BY: _____

JOEL S. ARIQ, ACTING COMMISSIONER

[]

PARTICIPATING REGULATOR ADOPTION

On behalf of the Insurance Division, Department of Commerce and Consumer Affairs,
State of Hawaii, I, J. P. Schmidt, Insurance Commissioner, hereby adopt, agree to, and
approve this Agreement.

Insurance Division
Department of Commerce and consumer Affairs
State of Hawaii

BY: 


J. P. Schmidt, Insurance Commissioner

DATE: APR 21 2008

PARTICIPATING REGULATOR ADOPTION

On behalf of the Idaho Department of Insurance, I, William W. Deal, hereby adopt, agree, and approve the foregoing March 30, 2008 Conseco Senior and Bankers Life Regulatory Settlement Agreement.

IDAHO DEPARTMENT OF INSURANCE

BY: 
William W. Deal, Director

APRIL 22, 2008

FLORIDA OFFICE OF
INSURANCE REGULATION

BY: _____

, COMMISSIONER

[DATE]

INDIANA DEPARTMENT OF
INSURANCE

BY: _____

, COMMISSIONER

[DATE]

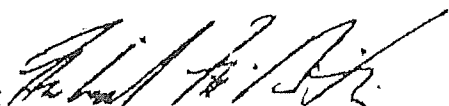
TEXAS DEPARTMENT OF INSURANCE

BY: _____

, COMMISSIONER

[DATE]

ILLINOIS DIVISION OF INSURANCE

BY:  _____

ILLINOIS, DIRECTOR

[DATE] 3.30.08

PENNSYLVANIA INSURANCE
DEPARTMENT

BY: _____

JOEL S. ARIO, ACTING COMMISSIONER

[]

FLORIDA OFFICE OF
INSURANCE REGULATION

BY: _____

, COMMISSIONER

[DATE]

INDIANA DEPARTMENT OF
INSURANCE

BY: James Atterholt

JAMES ATTERHOLT, COMMISSIONER

[March 27, 2008]

TEXAS DEPARTMENT OF INSURANCE

BY: _____

, COMMISSIONER

[DATE]

ILLINOIS DIVISION OF INSURANCE

BY: _____

, DIRECTOR

[DATE]

PENNSYLVANIA INSURANCE
DEPARTMENT

BY: _____

JOEL S. ARIIO, ACTING COMMISSIONER

[]

PARTICIPATING REGULATOR ADOPTION

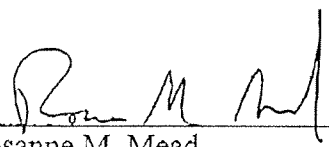
On behalf of the Iowa Insurance Division, I, Rosanne M. Mead, hereby adopt, agree, and approve this Agreement; except as follows;

The Iowa Insurance Division entered into a Memorandum of Understanding (MOU) with Bankers Life and Casualty Company which is dated March 14, 2007. All provisions of that MOU remain in effect and the signing of this Settlement Agreement shall not constitute a waiver of any provisions of the MOU of March 14, 2007.

Dated this 19th day of April, 2008

Iowa Insurance Division

BY: _____

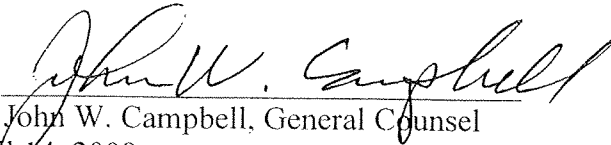

Rosanne M. Mead
Assistant Insurance Commissioner

PARTICIPATING REGULATOR ADOPTION

On behalf of the Kansas Insurance Department , I, John W. Campbell, General Counsel,
hereby adopt, agree, and approve this Agreement.

Kansas Insurance Department

BY:

A handwritten signature in cursive script, appearing to read "John W. Campbell", written over a horizontal line.

John W. Campbell, General Counsel

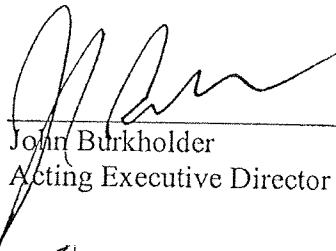
April 14, 2008

PARTICIPATING REGULATOR ADOPTION

On behalf of the Kentucky Office of Insurance, I, John Burkholder, Acting Executive Director, hereby adopt, agree, and approve this Agreement between the Lead Regulators, Participating Regulators, Conscco Senior Health Insurance Company, and Bankers Life and Casualty Insurance Company.

KENTUCKY OFFICE OF INSURANCE

BY:



John Burkholder
Acting Executive Director

April 28th, 2008



ENVIRONMENTAL AND PUBLIC PROTECTION CABINET

Steven L. Beshear
Governor

Office of Insurance
P.O. Box 517
Frankfort, Kentucky 40602-0517
800-595-6053
<http://doi.ppr.ky.gov/kentucky>

Robert D. Vance
Secretary

April 29, 2008

Mark Johnson
Senior Vice President, Chief of Compliance
Conseco Senior Health Insurance Co.
11825 N. Pennsylvania St.
Carmel, IN 46032

**Re: Conseco Senior Health Insurance Company
Bankers Life and Casualty Insurance Company
Order Adopting Regulatory Settlement Agreement**

**Re: Conseco Health Insurance Company
Discontinuation of Reporting Requirements under Agreed Order**

Dear Mr. Johnson:

Enclosed you will find an executed copy of Kentucky's Order Adopting Regulatory Settlement Agreement as well as the Participating Regulator Adoption page in the matter of Conseco Senior Health Insurance Company and Bankers Life and Casualty Insurance Company. The enclosed Order also provides the status of the reporting obligations of Conseco Senior and Conseco Health in accordance with Agreed Orders between the companies and the Kentucky Office of Insurance.

If you have any questions, please feel free to contact me at (502) 564-6032 x4244.

Sincerely,

Sharron S. Burton
General Counsel

Enclosures (2)

cc: Laura Moore, Chief Market Conduct Examiner, KOI
Dennis Shoop, Pennsylvania Insurance Department



COMMONWEALTH OF KENTUCKY
OFFICE OF INSURANCE
Frankfort, Kentucky 40601

IN THE MATTER OF:

- Conseco Senior Health Insurance Company – NAIC #: 76325 , KOI #: 300251
- Bankers Life and Casualty Insurance Company – NAIC #: 61263, KOI #: 300701
- Conseco Health Insurance Company – NAIC#: 78174 , KOI #: 301725

CONSENT ORDER
ADOPTING REGULATORY SETTLEMENT AGREEMENT and
AMENDING REPORTING REQUIREMENTS UNDER
PRIOR AGREEMENT

* * * * *

This matter comes before the Executive Director of the Kentucky Office of Insurance (hereinafter “Office”) for adoption of a Regulatory Settlement Agreement (hereinafter “RSA”) entered into between Conseco Senior Health Insurance Company and Bankers Life and Casualty Insurance Company (herinafter “Conseco Companies”); and the principal insurance regulator of the states of Pennsylvania, Florida, Illinois, Indiana, and Texas (hereinafter “Lead Regulators”); and the insurance regulators of each of the remaining jurisdictions and the District of Columbia that agree to approve and adopt the RSA (hereinafter “Participating Regulators”);

The Executive Director makes the following findings:

1. On April 10, 2007, the Lead Regulators called a multi-state targeted market conduct examination of the Conseco Companies to review the companies' claims practices and procedures, complaint handling practices, and marketing and sales practices pursuant to the procedures established in the NAIC Market Conduct Examiners' Handbook.

2. As a result of the multi-state examination, the Lead Regulators identified deficiencies in the practices of the Conseco Companies with respect to the multi-state areas of regulatory concern that were the subject of the examination.

3. As a result of the findings of deficiencies in the multi-state examination, the Lead Regulators engaged in discussions with the Conseco Companies with respect to the multi-state areas of regulatory concern and agreed to a plan of corrective actions as set forth in the RSA.

4. The RSA adequately addresses the multi-state areas of concern and, by virtue of the terms and conditions set forth in the RSA, the state of Kentucky, together with the Lead Regulators and other Participating Regulators, desire to agree upon the corrective measures, remediation, monetary assessments, and procedures outlined in the RSA.

5. The Conseco Companies are authorized to transact the business of insurance in the state of Kentucky and, as affecting this state, the Office has jurisdiction over the subject matter of this proceeding and the Conseco Companies;

6. Consecro Senior Health Insurance Company and Consecro Health Insurance Company are currently under quarterly reporting obligations to the Office pursuant to Agreed Orders effectuated June 12, 2007.

7. Upon review of the RSA and being sufficiently advised, the Executive Director of the Office finds that it is a fair and proper disposition of the matters addressed therein.


IT IS THEREFORE ORDERED THAT:

The Regulatory Settlement Agreement entered into on March 30, 2008, between the Lead Regulators and the Consecro Companies is hereby agreed to, adopted, approved, and fully incorporated herein by reference and identified as Exhibit A to this Consent Order. All terms and conditions of the Regulatory Settlement Agreement are hereby ORDERED.

The reporting obligations of Consecro Senior Health Insurance Company and Consecro Health Insurance Company pursuant to Agreed Orders effective June 12, 2007, (attached hereto as Exhibit B) are hereby discontinued except that Consecro Senior Health Insurance Company shall continue to report to the Office the company's compliance efforts with respect to the benefit increase rider (Form # ATL-BIR-LTC-1-93) in accordance with the reporting schedules outlined in the Agreed Orders.

This ORDER is being executed in accordance with KRS 304.2-100, KRS 304.2-120, KRS 304.3-200, and KRS 304.99-020.

Done and effective on this 28th day of April, 2008.



JOHN BURKHOLDER
Acting Executive Director
Kentucky Office of Insurance

CERTIFICATE OF SERVICE

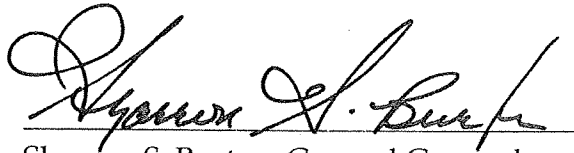
This is to certify that the foregoing Order was served by mailing the same by first class mail to:

Mark Johnson
Senior Vice President, Chief of Compliance
Conseco Senior Health Insurance Co.
11825 N. Pennsylvania St.
Carmel, IN 46032

and to:

Dennis Shoop
Pennsylvania Insurance Department
Bureau of Enforcement
1227 Strawberry Square
Harrisburg, PA 17120

on this 29 day of April, 2008.




Sharron S. Burton, General Counsel
Office of Legal Services, Insurance Div.
Kentucky Office of Insurance
215 West Main Street
P.O. Box 517
Frankfort, Kentucky 40602
PH: (502) 564-6032
FAX: (502) 564-1456

PARTICIPATING REGULATOR ADOPTION
IN THE MATTER OF
CONSECO SENIOR HEALTH INSURANCE COMPANY
AND
BANKERS LIFE & CASUALTY COMPANY
REGULATORY SETTLEMENT AGREEMENT

On behalf of the Louisiana Department of Insurance and Commissioner of Insurance
James J. Donelon, I, Ronald J. Musser, hereby adopt, agree, and approve this Agreement.

Louisiana Department of Insurance

BY: 
Ronald J. Musser, Assistant Commissioner
April 23, 2008

DUPLICATE ORIGINAL

IN THE MATTER OF THE
MULTI-STATE EXAMINATION OF

CONSECO SENIOR HEALTH INSURANCE COMPANY
AND
BANKERS LIFE AND CASUALTY COMPANY

* CONSENT ORDER
*
* CASE NO.: MIA-2008-04-022
*
*
*
*

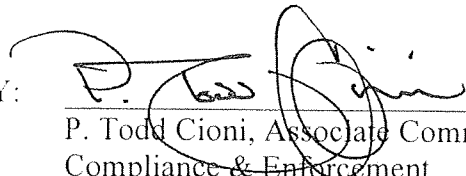
PARTICIPATING REGULATOR ADOPTION

On behalf of the Maryland Insurance Administration, I, P. Todd Cioni, hereby adopt, agree, and approve this Agreement as follows:

1. In addition to the Multistate Examination, the Maryland Insurance Administration conducted a comprehensive examination of Consecro Senior insurance business in Maryland for the survey period of January 1, 2005 through June 30, 2006.
2. The Examination details are contained in Administration Report Number MCLH-12-2006-E.
3. Consecro Senior shall accept the Administration Report MCLH-12-2006-E as final and waives any right to a hearing on or judicial review of the report.
4. For the purposes of the business of the Administration, the records and publications of the Administration will reflect this Order and Administration Report MCLH-12-2006-E.

RALPH S. TYLER
INSURANCE COMMISSIONER

BY:



P. Todd Cioni, Associate Commissioner
Compliance & Enforcement

April 28 , 2008

PARTICIPATING REGULATOR ADOPTION

On behalf of the Massachusetts Division of Insurance, I, Nonnie S. Burnes, Commissioner of Insurance, hereby adopt, agree, and approve this Multi-State Regulatory Settlement Agreement.

Massachusetts Division of Insurance

BY: 

Nonnie S. Burnes

Commissioner of Insurance


DATE: 4/29/08

IN THE MATTER OF
CONSECO SENIOR HEALTH INSURANCE COMPANY
AND BANKERS LIFE & CASUALTY COMPANY
REGULATORY SETTLEMENT AGREEMENT

On behalf of the Office of Financial and Insurance Regulation, State of Michigan, I, Ken Ross, hereby adopt, agree, and approve this Agreement to which this page is attached.

OFFICE OF FINANCIAL AND INSURANCE REGULATION

BY:



Ken Ross
Commissioner

April 24, 2008

PARTICIPATING REGULATOR ADOPTION

On behalf of the Mississippi Department of Insurance, I, Lee Harrell, Deputy
Commissioner, hereby adopt, agree, and approve this Agreement.

MISSISSIPPI DEPARTMENT OF INSURANCE

BY:


LEE HARRELL

DEPUTY COMMISSIONER

DATE:

5/13/08



State of Missouri

DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS & PROFESSIONAL REGISTRATION

IN THE MATTER OF:)
)
Conseco Senior Health Insurance Company)
and)
Bankers Life and Casualty Company,)
)
Respondents.)

PARTICIPATING REGULATOR ADOPTION OF REGULATORY SETTLEMENT AGREEMENT

Douglas M. Ommen, director of the Department of Insurance, Financial Institutions and Professional Registration does hereby adopt, agree, and approve this Regulatory Settlement Agreement entered into as of March 30, 2008, between Conseco Senior Health Insurance Company and Bankers Life and Casualty Company and the Lead Regulators.

April 14, 2008
Date

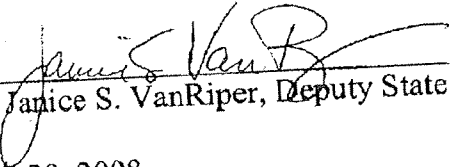

DOUGLAS M. OMMEN
DIRECTOR

STATE SPECIFIC REGULATOR ADOPTION
FOR CONSECO SENIOR HEALTH INSURANCE COMPANY
AND
BANKERS LIFE & CASUALTY COMPANY
REGULATORY SETTLEMENT AGREEMENT

On behalf of the Montana State Auditor's Office [SAO], I, Janice S. VanRiper, Deputy State Auditor, hereby adopts, agrees, and approves this Agreement on the condition that the consumer letter regarding the readjudication process sufficiently describes the legal rights of those consumers and Montana approves the letter, and also that SAO receive a list of Montana consumers potentially affected by this agreement, along with their contact information before the mailing date of the consumer notification.

MONTANA STATE AUDITOR'S OFFICE
DEPARTMENT OF INSURANCE

BY:


Janice S. VanRiper, Deputy State Auditor

April 29, 2008

PARTICIPATING REGULATOR ADOPTION

On behalf of the State of Nebraska Department of Insurance, I, Ann M. Frohman, Director of the Nebraska Department of Insurance, hereby adopt, agree, and approve this Settlement Agreement subject to the conditions and terms expressed below.

This Settlement Agreement is entered into between the State of Nebraska Department of Insurance and Consecro Senior and Bankers Life with the express understanding that the terms contained in the Settlement Agreement reflect consideration of insurance policies issued by Stonebridge Life Insurance Company ("Stonebridge") and administered by Consecro Senior Health Insurance Company and that all remedies and terms contained in the Settlement Agreement are appropriate to address, encompass, and apply to, the companies activities with regard to the aforementioned Stonebridge insurance policies.

STATE OF NEBRASKA
DEPARTMENT OF INSURANCE

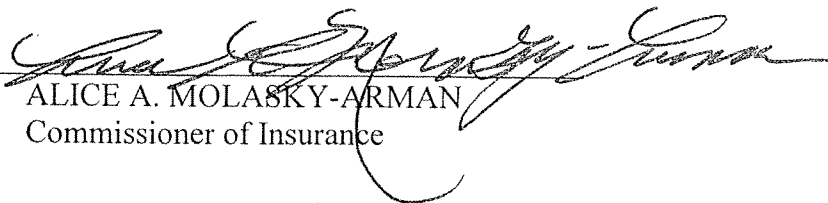
Ann M. Frohman
ANN M. FROHMAN
Director of Insurance

4-29-08
Date

PARTICIPATING REGULATOR ADOPTION

On behalf of the State of Nevada Department of Business and Industry, Division of Insurance, I, Commissioner Alice A. Molasky-Arman, hereby adopt, agree, and approve this Agreement.

STATE OF NEVADA
DEPARTMENT OF BUSINESS AND INDUSTRY,
DIVISION OF INSURANCE

BY: 
ALICE A. MOLASKY-ARMAN
Commissioner of Insurance

DATED this 16th day of April, 2008.

ORIGINAL

PARTICIPATING REGULATOR ADOPTION

On behalf of New Hampshire and the New Hampshire Insurance Department I, Roger A. Sevigny, hereby adopt, agree, and approve this Agreement.

NEW HAMPSHIRE INSURANCE DEPARTMENT

BY: 

Roger A. Sevigny, Insurance Commissioner

April 9, 2008

PARTICIPATING REGULATOR ADOPTION

On behalf of the New Jersey Department of Banking and Insurance I, Steven
M. Goldman, Commissioner hereby adopt, agree, and approve this
Agreement.

New Jersey Department of Banking and Insurance

BY: 

Steven M. Goldman, Commissioner

DATE 

PARTICIPATING REGULATOR ADOPTION

On behalf of the New Mexico Public Regulation Commission - Insurance Division, I,
Morris J. Chavez, hereby adopt, agree, and approve this Agreement.

The New Mexico Public Regulation Commission – Insurance Division

BY:



Morris J. Chavez, Superintendent of Insurance

April 10, 2008

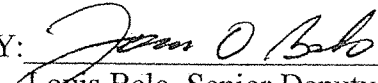
IN THE MATTER OF
CONSECO SENIOR HEALTH INSURANCE COMPANY
AND
BANKERS LIFE & CASUALTY COMPANY
REGULATORY SETTLEMENT AGREEMENT

PARTICIPATING REGULATOR ADOPTION

On behalf of the Commissioner of Insurance and the Department of Insurance of the State of North Carolina, I, Senior Deputy Commissioner Louis Belo, hereby adopt, agree, and approve this Agreement.

North Carolina Department of Insurance

BY:

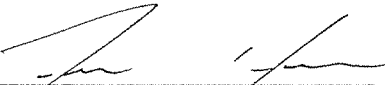

Louis Belo, Senior Deputy Commissioner

4/21/2008 [DATE]

PARTICIPATING REGULATOR ADOPTION
In the Matter of Conseco Senior Health Insurance Company
and
Bankers Life & Casualty Company
Regulatory Settlement Agreement

On behalf of the North Dakota Insurance Department, I, Adam W. Hamm, hereby adopt,
agree with, and approve this Agreement.

NORTH DAKOTA INSURANCE DEPARTMENT

BY: 
Adam W. Hamm
Insurance Commissioner

On this 11th day of April, 2008.

STATE OF OHIO
DEPARTMENT OF INSURANCE
2100 Stella Court
Columbus, Ohio 43215-1067

IN THE MATTER OF : MARY JO HUDSON
: SUPERINTENDENT OF
CONSECO SENIOR HEALTH INSURANCE : INSURANCE
COMPANY AND BANKERS LIFE & :
CASUALTY COMPANY : ORDER ADOPTING REGULATORY
: SETTLEMENT AGREEMENT

WHEREAS, Conseco Senior Health Insurance Company ("Conseco Senior") and Bankers Life and Casualty Company ("Bankers Life") (collectively the "Insurance Companies") were the subject of a multi-state market regulation examination of their claims practices and procedures, complaint handling, and marketing and sales practices conducted by the states of Florida, Illinois, Indiana, Pennsylvania and Texas (the "Lead Regulators") pursuant to the procedures established in the NAIC Market Conduct Examiners Handbook.

WHEREAS, the areas of review included the claims and complaint handling practices for Conseco Senior and Bankers Life related to Long Term Care, and complaint handling and marketing practices for Bankers Life for all lines of business,

WHEREAS, the Lead Regulators have negotiated a settlement of the issues identified in the course of the examination,

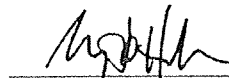
WHEREAS, this matter comes to the attention of the Superintendent of Insurance for the State of Ohio ("Superintendent") upon notification of resolution of the above referenced market conduct examination of the Insurance Companies,

NOW, THEREFORE, IT IS HEREBY ORDERED that, the Regulatory Settlement Agreement ("Agreement") entered into between the Company and the Lead Regulators, a copy of which is attached hereto and is incorporated herein, is approved and adopted.

IT IS HEREBY FURTHER ORDERED that, the Company shall immediately initiate compliance with all terms and conditions of the Agreement and follow all recommendations outlined in the report.

Dated:

29 April 2008

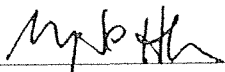


Mary Jo Hudson
Superintendent of Insurance

PARTICIPATING REGULATOR ADOPTION

On behalf of Ohio Department of Insurance, I, Mary Jo Hudson, hereby adopt, agree, and approve this Agreement.

OHIO DEPARTMENT OF INSURANCE


BY: _____
Mary Jo Hudson
Superintendent of Insurance

April 30, 2008

PARTICIPATING REGULATOR ADOPTION
Oklahoma Insurance Department Case No. 08-0417-PRJ

On behalf of the OKLAHOMA INSURANCE DEPARTMENT, I, Kim Holland,
as Insurance Commissioner of the State of Oklahoma hereby adopt, agree, and approve
this Agreement.

OKLAHOMA INSURANCE DEPARTMENT

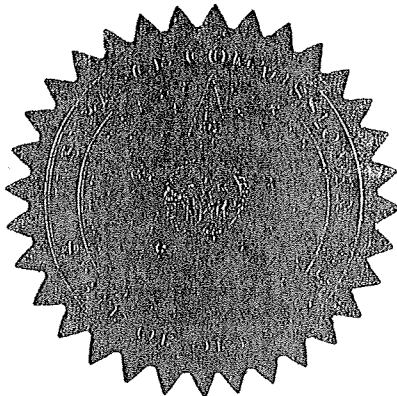
BY: 
KIM HOLLAND
Insurance Commissioner
State of Oklahoma

DATE: 04-10-2008

FILED

APR 10 2008

INSURANCE COMMISSIONER
OKLAHOMA



Insurance Commissioner of
the State of Oklahoma, hereby certify that the
foregoing is a true, correct and complete copy of
the instrument herewith set out as appears of
record in the Oklahoma Insurance Department,
this 10 day of April, 2008.

Insurance Commissioner

By: 

FLORIDA OFFICE OF
INSURANCE REGULATION

BY: _____

, COMMISSIONER

[DATE]

INDIANA DEPARTMENT OF
INSURANCE

BY: _____

, COMMISSIONER

[DATE]

TEXAS DEPARTMENT OF INSURANCE

BY: _____

, COMMISSIONER

[DATE]

ILLINOIS DIVISION OF INSURANCE

BY: _____

, DIRECTOR

[DATE]

PENNSYLVANIA INSURANCE
DEPARTMENT

BY: _____

JOEL S. ARIIO, ACTING COMMISSIONER

[]

PARTICIPATING REGULATOR ADOPTION

On behalf of the South Dakota Division of Insurance, I, Merle Scheiber, hereby adopt, agree, and approve this Agreement.

SOUTH DAKOTA DIVISION OF INSURANCE

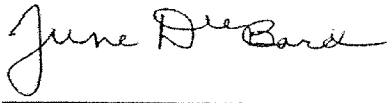
BY: Merle Scheiber
Merle Scheiber, Director

4-10-08
[DATE]

PARTICIPATING REGULATOR ADOPTION

On behalf of [South Carolina Department of Insurance], I, [June DuBard, Market Regulation Coordinator], hereby adopt, agree, and approve this Agreement.

[SOUTH CAROLINA DEPARTMENT OF INSURANCE]

BY: 

[June DuBard], [Market Regulation Coordinator, Collaborative Action Designee]
[April 8, 2008]

PARTICIPATING REGULATOR ADOPTION

On behalf of the Tennessee Department of Commerce and Insurance, I, Commissioner
Leslie A. Newman, hereby adopt, agree, and approve this Agreement.

Tennessee Department of Commerce and Insurance

BY: Leslie A. Newman, Commissioner
Leslie A. Newman, Commissioner
April 30, 2008

FLORIDA OFFICE OF
INSURANCE REGULATION

BY: _____

, COMMISSIONER

[DATE]

INDIANA DEPARTMENT OF
INSURANCE

BY: _____

, COMMISSIONER

[DATE]

TEXAS DEPARTMENT OF INSURANCE

BY: Mike Hees

, COMMISSIONER

[DATE] 3-28-08

ILLINOIS DIVISION OF INSURANCE

BY: _____

, DIRECTOR

[DATE]

PENNSYLVANIA INSURANCE
DEPARTMENT

BY: _____

JOEL S. ARIIO, ACTING COMMISSIONER

[]

M. GALE LEMMON #4363
Assistant Attorney General
MARK L. SHURTLEFF #4666
Attorney General
Attorneys for Utah Insurance Department
State Office Building, Room 3110
Salt Lake City, UT 84114
Telephone (801) 538-3872

**BEFORE THE INSURANCE COMMISSIONER
OF THE STATE OF UTAH**

IN RE:

CONSECO SENIOR HEALTH INS. CO.
Utah Co. Id. No. 1572

AND

BANKERS LIFE & CASUALTY CO.
Utah Co. Id. No. 192

**ADOPTION OF MULTI-STATE
REGULATORY SETTLEMENT
AGREEMENT**

DOCKET No. 2008-034

Enf. Case No. 2157

FINDINGS OF FACT AND CONCLUSIONS OF LAW

1. Consecro Senior Health Insurance Company ("Consecro") and Bankers Life & Casualty Company ("Bankers") are subsidiaries of Consecro Inc. Holding Company System.
2. Both Consecro and Bankers are authorized to do an insurance business in the State of Utah.
3. A multi-state examination was conducted on Consecro and Bankers in coordination with the National Association of Insurance Commissioner' Market Analysis Working Group on behalf of 39 participating states.

RECEIVED

APR 28 2008

CHIEF COUNSEL
INSURANCE DEPARTMENT

4. The examination focused on Complaint Handling, and Long Term Care and Home Health Care Claim Handling. Since Conseco no longer writes new business, the focus of marketing and sales activities was restricted to Bankers.

5. As a result of the findings of the examination, the lead regulators (the commissioners or directors of the insurance departments of the states of Florida, Illinois, Indiana, Pennsylvania and Texas) have entered into a Regulatory Settlement Agreement. (A copy of said Agreement is attached hereto and incorporated herein by this reference.)

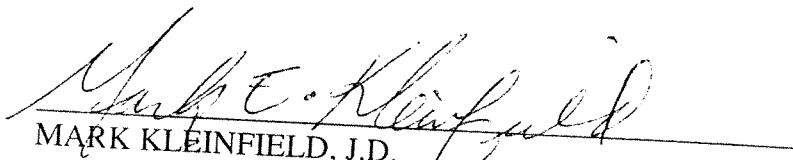
6. The Utah Insurance Department wishes to become a participating regulator by adopting said Regulatory Settlement Agreement and to be bound by said agreement and to receive all benefits conferred by said agreement.

ORDER

1. The Utah Insurance Commissioner, D. Kent Michie, under the authority granted by the Utah Insurance Code, on behalf of the Utah Insurance Department, hereby adopts, agrees to, and approves the attached Regulatory Settlement Agreement.

DATED THIS 24th day of April, 2008.

D. KENT MICHIE
INSURANCE COMMISSIONER


MARK KLEINFELD, J.D.
ADMINISTRATIVE LAW JUDGE
Utah Insurance Department
State Office Building, Room 3110
Salt Lake City, Utah 84114
Telephone (801) 538-3800

CERTIFICATE OF MAILING

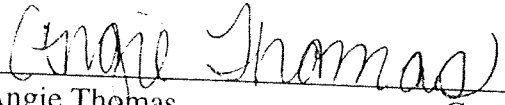
I do hereby certify that on this date I mailed, by regular mail & postage prepaid a true and correct copy of the attached:

**ADOPTION OF MULTI-STATE
REGULATORY SETTLEMENT
AGREEMENT**

To the following:

Terry Keating
Deputy Chief Counsel
1341 Strawberry Square
Hbg. PA
17120

DATED this 24th day of April, 2008.



Angie Thomas Court Clerk
Utah Department of Insurance
State Office Building, Room 3110
Salt Lake City, UT 84114-6901

PARTICIPATING REGULATOR ADOPTION

On behalf of the Vermont Department of Banking, Insurance, Securities and Health Care Administration, I, Paulette J. Thabault, hereby adopt, agree, and approve this Agreement.

Vermont Department of Banking, Insurance,
Securities and Health Care Administration

BY: Paulette J. Thabault
Paulette J. Thabault, Commissioner

DATE: 4/29/08

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

AT RICHMOND, MAY 7, 2008

CONSECO SENIOR HEALTH
INSURANCE COMPANY

AND

CASE NO. INS-2008-00086

BANKERS LIFE & CASUALTY COMPANY

Ex Parte: In the matter of Approval of a Multi-State Regulatory Settlement Agreement between Consecos Senior Health Insurance Company and Bankers Life & Casualty Company, and the Florida Office of Insurance Regulation, the Illinois Division of Insurance, the Indiana Department of Insurance, the Pennsylvania Insurance Department, and the Texas Department of Insurance, for and on behalf of the Virginia Bureau of Insurance and the Insurance Regulators of the remaining States and the District of Columbia

2008 MAY -7 A 11:11

ORDER APPROVING SETTLEMENT AGREEMENT

ON THIS DAY came the Bureau of Insurance (the "Bureau"), by counsel, and requested (i) Commission approval and acceptance of a multi-state Regulatory Settlement Agreement (the "Agreement"), a copy of which is attached hereto and made a part hereof, by and between the Commissioners of Insurance for the States of Florida, Indiana, Pennsylvania, and Texas, and the Director of the Illinois Division of Insurance (collectively, the "Lead Regulators"), and Consecos Senior Health Insurance Company ("Consecos Senior"), domiciled in Pennsylvania and licensed to transact the business of insurance in the Commonwealth of Virginia, and Bankers Life & Casualty Company ("Bankers Life"), domiciled in Illinois and licensed to transact the business of insurance in the Commonwealth of Virginia, and (ii) authority to execute any documents attendant to the Agreement necessary to evidence the Commission's acceptance of the Agreement.

NOW THE COMMISSION, having considered the terms of the Agreement together with the recommendation of the Bureau that the Commission approve and accept the Agreement, is of the opinion, finds, and ORDERS that (i) the Agreement be, and it is hereby, APPROVED AND ACCEPTED and (ii) the Commissioner of Insurance be, and he is hereby authorized to execute any attendant documents necessary to evidence the Commission's approval and acceptance of the Agreement.

AN ATTESTED COPY hereof shall be sent by the Clerk of the Commission to the Bureau of Insurance in care of Deputy Commissioner Jacqueline K. Cunningham.

COPIES FURNISHED TO:

Mark Johnson
Senior Vice President
Chief of Compliance
Conseco Senior Health Insurance Company
11825 N. Pennsylvania St.
Carmel, IN 46032

Dennis Shoop
Director of the Bureau of Enforcement
Pennsylvania Insurance Department
1227 Strawberry Sq.
Harrisburg, PA 17120

Jacqueline K. Cunningham
Deputy Commissioner
Bureau of Insurance
State Corporation Commission
1300 East Main Street
Richmond, VA 23219

Commonwealth of Virginia
STATE CORPORATION COMMISSION

IN THE MATTER OF:

Conseco Senior Health Insurance Company
and
Bankers Life & Casualty Company

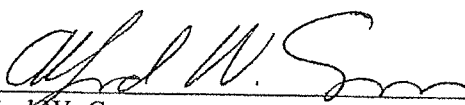
CASE NO. INS-2008-00086

PARTICIPATING REGULATOR ADOPTION

ON THIS DAY this matter came before the Virginia Bureau of Insurance, State Corporation Commission (the "Bureau") for consideration, and upon consideration thereof, the Commissioner of Insurance finds:

1. Conseco Senior Health Insurance Company and Bankers Life & Casualty Company (collectively, the "Insurance Companies") are licensed to transact the business of insurance in the Commonwealth of Virginia. As affecting the Commonwealth of Virginia, the Bureau has jurisdiction over the subject matter of this proceeding and the Insurance Companies;
2. In April 2007, regulators from the Florida Office of Insurance Regulation, the Illinois Division of Insurance, the Indiana Department of Insurance, the Pennsylvania Insurance Department, and the Texas Department of Insurance (collectively, the "Lead Regulators") called a multi-state targeted market conduct examination of the Insurance Companies. The review focused on claims practices and procedures, complaint handling, and marketing and sales practices pursuant to the procedures established in the NAIC Market Conduct Examiners Handbook;
3. A settlement has been presented to the Bureau, the terms of which are set forth in a Regulatory Settlement Agreement ("Agreement") which has been signed by the Insurance Companies and the Lead Regulators. The Insurance Companies understand that they have a right to a hearing in this matter, and have agreed to waive such rights, in accordance with the Agreement;
4. The Bureau expressly adopts, agrees and approves this Agreement as a fair and proper disposition of the matters addressed herein.

A COPY hereof shall be filed with the Clerk of the Commission and thereby placed in Case No. INS-2008-00086.



Alfred W. Gross,
Commissioner of Insurance
Bureau of Insurance
State Corporation Commission
Commonwealth of Virginia

May 7, 2008
Date



OFFICE OF
INSURANCE COMMISSIONER
PARTICIPATING REGULATOR ADOPTION

On behalf of Washington State Office of the Insurance Commissioner, I, Mike Kreidler, Insurance Commissioner, hereby adopt, agree, and approve this Agreement.

Washington State Office of the Insurance Commissioner

BY:

A handwritten signature of Mike Kreidler in black ink, written over a horizontal line.

Mike Kreidler
Insurance Commissioner
April 24, 2008

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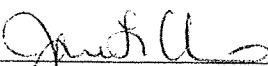
CHIEF COUNSEL
INSURANCE DEPARTMENT

Mailing Address: P.O. Box 40255 • Olympia, WA 98504-0255
Street Address: 5000 Capitol Blvd. • Tumwater, WA 98501

PARTICIPATING REGULATOR ADOPTION

On behalf of the West Virginia Offices of the Insurance Commissioner, I, Jane L. Cline, Insurance Commissioner, hereby adopt, agree, and approve this Agreement.

West Virginia Offices of the Insurance Commissioner

BY: 
Jane L. Cline, Insurance Commissioner

DATED: 17th Day of April, 2008.

DEPARTMENT OF INSURANCE

STATE OF WYOMING

IN THE MATTER OF CONSECO SENIOR)
HEALTH INSURANCE COMPANY AND) Docket No. 08-04
BANKERS LIFE & CASUALTY COMPANY)
REGULATORY SETTLEMENT AGREEMENT.)

CONSENT ORDER

THIS MATTER came on for consideration and final agency action by the Wyoming Department of Insurance (hereinafter "Department") upon notice from the National Association of Insurance Commissioners (NAIC) of a regulatory settlement agreement following a Multistate examination process of Conseco Senior Health Insurance Company and Bankers Life & Casualty Company. Upon consideration of the record, and being otherwise fully advised in the premises, the Wyoming Insurance Commissioner hereby finds:

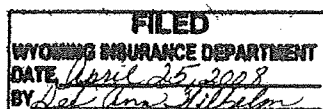
1. A regulatory settlement agreement ("Agreement") has been agreed upon by and among Conseco Senior Health Insurance Company (hereafter "Conseco Senior"), Bankers Life & Casualty Company (hereafter "Bankers Life") (collectively the "Insurance Companies"), the Commissioner of the Florida Office of Insurance Regulation, the Director of the Illinois Division of Insurance, the Commissioner of the Indiana Department of Insurance, the Commissioner of the Pennsylvania Insurance Department, and the Commissioner of the Texas Department of Insurance (collectively the "Lead Regulators"), and the insurance regulators of each of the remaining states and the District of Columbia that agree to adopt the Agreement (the "Participating Regulators") (the Lead Regulators and Participating Regulators are collectively referred to as Signatory Regulators").

2. Wyoming is considered a Participating Regulator pursuant to said Agreement.

3. A copy of the Regulatory Settlement Agreement is attached hereto and incorporated herein. The agreement provides, in part, as follows:

a) On April 10, 2007, the Lead Regulators called a Multistate targeted market conduct examination of the Insurance Companies (the "Multistate Examination") to review the Insurance Companies' claims practices and procedures established in the NAIC Market Conduct Examiners Handbook.

b) The Multistate Examination identified certain areas of concern that the Insurance Companies have agreed should be subject to review on a collaborative basis for the



benefit of the Participating Regulators (the "Multistate Areas of Regulatory Review") (Exhibit "A" to the Agreement attached hereto). The Multistate Areas of Regulatory Review include, *inter alia*, claims and complaint handling practices for Conseco Senior and Bankers Life related to Long Term Care, and complaint handling and marketing practices for Bankers Life for all lines of business.

c) The Insurance Companies shall develop Corrective Action Plans acceptable to the Lead Regulators, as more fully described in the Agreement.

d) The Insurance Companies have agreed to adopt and comply with all Recommendations of the Lead Regulators as set forth in the Examination Reports and to implement Corrective Action Plans to address the Multistate Areas of Regulatory Review. The recommendations require the Insurance Companies to accomplish, *inter alia*:

i) Implementation of changes to the Insurance Companies' claims and complaint handling procedures and standards to ensure that they are timely, appropriate and that they are otherwise compliant with applicable state laws;

ii) Establishment of a compliance plan for marketing activities of Bankers Life to ensure that its producers comply with applicable state laws and that Bankers Life has sufficient oversight to monitor, document and enforce such practices, in compliance with all applicable state laws.

e) In full and final settlement and resolution of the regulatory findings set forth in the Examination Reports, the Insurance Companies agree to pay a fine in the amount of \$2,342,728 less any amount allocated to any non-participating state under allocation methodology developed by the Lead Regulators and other amounts as provided, which fine shall be payable within 20 business days of the Effective Date of the Agreement.

f) The Insurance Companies shall remit payment to each state adopting the Settlement Agreement (a Participating State) the amount due to that state under the allocation methodology developed by the Lead Regulators.

4. The cost and benefits of conducting an independent comprehensive examination of the Insurance Companies by the Wyoming Insurance Department are not justified in relation to the benefits available under this settlement action.

5. That the Regulatory Settlement Agreement is a fair and proper disposition of the matters addressed therein.

6. That it is in the best interest of the Wyoming Insurance Department and the Wyoming policyholders of the Insurance Companies to become a Participating Regulator.

IT IS THEREFORE ORDERED:

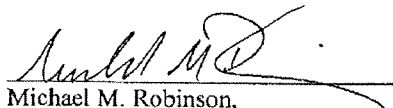
1. The Regulatory Settlement Agreement between Conseco Senior Health Insurance Company, Bankers Life & Casualty Company, the Lead Regulators and the Participating Regulators, attached hereto and incorporated herein, is hereby approved and adopted.

2. The Wyoming Insurance Department and the State of Wyoming do not waive sovereign immunity by entering into the Regulatory Settlement Agreement, and specifically retain immunity and all defenses available to them as sovereigns pursuant to Wyo. Stat. § 1-39-104(a) and all other state laws.

Dated this 25th day of April, 2008.


Kenneth G. Vines
Wyoming Insurance Commissioner

APPROVED AS TO FORM:


Michael M. Robinson,
Assistant Attorney General